

October 1, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 2 TO LEASE NO. 66261  
CHILD SUPPORT SERVICES DEPARTMENT  
15531 VENTURA BOULEVARD, ENCINO  
(THIRD) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached Amendment No. 2 to Lease No. 66261 with M & A Gabae (Lessor) for a five-year full-service lease extension for the continued occupancy of 45,775 rentable square feet of office and storage space, including 145 off-street parking spaces for the Child Support Services Department (CSSD) at 15531 Ventura Boulevard, Encino at an initial annual rent of \$1,131,435, which is 100 percent offset by subvention funding.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board and Section 15062 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO) and CSSD to implement the project. The lease amendment will be effective upon adoption by the Board of Supervisors.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended action will allow CSSD and its 232-member staff, who provide direct services to the public, to continue occupancy for up to five years commencing upon Board approval. The child support services program has been in operation at this facility since 1992. The Encino division, which serves a portion of the Los Angeles and San Fernando Valley quadrant of Los Angeles County, provides child support case management for approximately 127,000 cases. Custodial and non-custodial parents visit the office for matters related to their cases with an average number of 1,100 scheduled interviews per month. In addition, an average of 1,050 people walk into the office each month for services.

The facility also serves as a mandatory archival file retention space for caseload record storage.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are maximizing subvention by housing the program in leased space as further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The annual cost of this lease will initially be \$1,131,435 which is 100 percent offset by subvention funding. Any reconfiguration of the space will be funded by the department directly.

<b>15531 Ventura Blvd., Encino</b>	<b>Existing Lease</b>	<b>Proposed Lease Amendment</b>	<b>Change</b>
Area (square feet)	45,775	45,775	None
Term	10 yrs. (10/16/92 to 10/15/02)	5 years (10/16/02 to 10/15/07)	Additional 5 years
Annual Rent	\$1,131,435 (\$24.72/sq.ft.)	\$1,131,435 (\$24.72/sq.ft.)	None
TI Allowance	\$496,427 (\$10.84/sq.ft.)	None	No TI's
Parking Included in Rent	145 off-street spaces	145 off-street spaces	None
Cancellation	Every year on the anniversary of the lease upon 120 days prior written notice	Every year on the anniversary of the lease upon 120 days prior written notice	None
Option to Renew	One 5-year	One 5-year	None
Rental Adjustment	Annual CPI increase capped at 4% per year	Annual CPI increase capped at 4% per year	None

Sufficient appropriation for the proposed lease amendment is included in the 2002-03 Rent Expense Budget and will be charged back to CSSD. Sufficient appropriation has also been included in the CSSD Operating Budget to cover the projected lease costs.

The cost associated with the proposed amendment will be 100% offset by subvention funding.

The monthly rent under the proposed lease amendment is subject to annual CPI increases capped at four percent per year over the five-year period.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

CSSD has been at this location since the building was refurbished for County use in 1992. The current lease expires on October 15, 2002.

The proposed five-year extension agreement provides 45,775 rentable square feet and 145 off-street parking spaces. The lease also contains the following provisions:

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- The term commences on October 16, 2002 and ends five years thereafter.
- Lessor will replace all of the carpet at Lessor's sole cost and expense, at Lessee's request, or will thoroughly shampoo, clean and repair the carpet.
- Parking for the staff and visitors is available on-site.
- The Lease is full-service.
- Lessor is responsible for maintenance of the premises.
- County has the option to renew for a period of five years under the same terms and conditions, except rental rate, by giving 90 days prior written notice. The rental rate shall be 90 percent of fair market value for similar properties.
- County has the right to reduce the square footage of the space up to 25 percent at any time after the third year. The County obtained such right in order to have flexibility to relocate a portion of the staff, if desired, and to downsize space.
- County has the right to cancel every year on the lease anniversary date upon 120 days prior written notice.

CAO Real Estate staff conducted a survey of the service area within a three-mile radius of the site to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate these requirements more economically. Attachment B shows all County-owned and leased facilities within the search area for this program. There are no County-owned or leased facilities available for this program within close proximity to the site.

Based upon a rental survey of similar properties within a three-mile radius of the site, staff has determined that the annual rental range is between \$24.60 and \$30 per rentable square foot full-service. Thus, the base annual rental rate of \$24.72 per square foot is at the low end of the market range for the area surveyed.

The Department of Public Works has inspected this facility and finds it suitable for the County's occupancy.

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### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of the CAO that the proposed lease is in the best interest of the County and will continue to provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, CSSD concurs in this lease recommendation.

### **CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SNY  
SHK:CB:hd

Attachments (4)

c: County Counsel  
Auditor-Controller  
Child Support Services Department

**CHILD SUPPORT SERVICES DEPARTMENT  
15531 VENTURA BOULEVARD, ENCINO  
Asset Management Principles Compliance Form<sup>1</sup>**

1.	<b><u>Occupancy</u></b>		Yes	No	N/A
	A	Does lease consolidate administrative functions? <sup>2</sup>			X
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>No space is available.</b>		X	
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sf of space per person? <sup>2</sup> <b>Ratio: 1/188 sq.ft.</b>	X		
2.	<b><u>Capital</u></b>				
	A	Should program be in leased space to maximize State/Federal funding?	X		
	B	If not, is this a long term County program?			X
	C	Is it a net County cost (NCC) program? <b>0% NCC</b>		X	
	D	If yes to 2 B or C; capital lease or operating lease with an option?			X
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? <b>A portion of this program is currently being considered as part of a proposed SPA 2 East valley consolidation in the San Fernando Valley. Some staff could be relocated any time after 3 years since the lease allows the County to reduce space at the current location in an amount up to 25% of the total leased square footage, or the lease can be cancelled and the entire program relocated to the proposed SPA 2 East valley consolidation if appropriate.</b>	X		
3.	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
	D	5. ___ The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup>	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**SPACE SEARCH, THREE-MILE RADIUS OF CORE SERVICE CENTER AREA  
CHILD SUPPORT SERVICES DEPARTMENT**

LACO	FACILITY NAME	ADDRESS	SQ.FT. GROSS	NET SQ.FT.	OWNERSHIP	SQ.FT. AVAILABLE
A213	DHS-NORTH DISTRICT HEALTH FACILITIES OFFICE	15643 SHERMAN WAY, VAN NUYS 91406	3,712	3,600	LEASED	NONE
5273	VAN NUYS COUNTY ADMINISTRATIVE CENTER BLDG.	14340 W. SYLVAN ST. VAN NUYS 91401	9849	6992	OWNED	NONE
4400	VAN NUYS COURTHOUSE-WEST	14400 ERWIN ST. (IN MALL) VAN NUYS 91401	320391	125801	FINANCED	NONE
Y442	VAN NUYS COURTHOUSE-TRAILER F	14400 W DELANO ST. VAN NUYS 91401	11037	6470	OWNED	NONE
4705	PROBATION-EAST SAN FERNANDO VALLEY AREA OFFICE	14414 W DELANO ST VAN NUYS 91401	15825	8362	OWNED	NONE
A491	PROBATION-VAN NUYS AREA JUVENILE SERVICES	14540 HAYNES ST VAN NUYS 91401	13500	11475	LEASED	NONE
7278	VAN NUYS COURTHOUSE-EAST	6230 SYLMAR AVE VAN NUYS 91401	180296	88650	OWNED	NONE
Y477	VAN NUYS COURTHOUSE-BLDG. F	6280 SYLMAR AVE VAN NUYS 91401	576	495	OWNED	NONE
Y474	VAN NUYS COURTHOUSE-BLDG. C	6280 SYLMAR AVE VAN NUYS 91401	4740	3148	OWNED	NONE
Yr76	VAN NUYS COURTHOUSE-BLDG. E	6280 SYLMAR AVE VAN NUYS 91401	3373	1987	OWNED	NONE
Y472	VAN NUYS COURTHOUSE-BLDG. A	6280 SYLMAR AVE VAN NUYS 91401	4740	3165	OWNED	NONE
Yr73	VAN NUYS COURTHOUSE-BLDG. B	6280 SYLMAR AVE VAN NUYS 91401	4740	3148	OWNED	NONE
A285	ALT PUBLIC DEFENDER-VAN NUYS OFFICE	6320 VAN NUYS BLVD VAN NUYS 91401	3100	3100	OWNED	NONE
A276	DC&FS-REGION V NO. HOLLYWOOD SERVICES OFFICE	12020 CHANDLER BLVD. NORTH HOLLYWOOD 91607	43268	41105	LEASED	NONE
A316	SHERIFF-SAN FERNANDO VALLEY THEFT PROGRAM	8353 N. SEPULVEDA BLVD. NORTH HILLS 91343	1500	1500	LEASED	NONE
6359	MID VALLEY-SAN FERNANDO VALLEY SERVICE CENTER	7555 VAN NUYS BLVD. MID VALLEY COMPLEX VAN NUYS 91405	17698	10623	FINANCED	NONE
A169	DPSS-EAST VALLEY IHSS OFFICE/GAIN/GR PROGRAMS	14550 LANARK ST. PANORAMA CITY 91402	30000	27000	LEASED	NONE
A383	DHS-SAN FERNANDO DISTRICT ENVIRONMENTAL HEALTH	6851 LENNOX AVE. VAN NUYS 91405	7537	7160	LEASED	NONE
A494	PROBATION-VAN NUYS JUVENILE SERVICES ANNEX	7100 VAN NUYS BLVD. VAN NUYS 91405	1900	1710	LEASED	NONE
D310	DPSS-EAST VALLEY WS DISTRICT OFFICE	14545 LANARK ST. PANORAMA CITY 91402	96360	39588	OWNED	NONE
T026	VAN NUYS CRTHSE-TRAILER D	6230 SYLMAR AVE VAN NUYS 91401	8116	7086	OWNED	NONE
T027	VAN NUYS CRTHSE-TRAILER C	6230 SYLMAR AVE VAN NUYS 91401	3164	2824	OWNED	NONE